

**U.S. DEPARTMENT OF ENERGY
PUBLIC SCOPING MEETING
SITE SELECTION FOR STRATEGIC PETROLEUM RESERVE EXPANSION
CLAIBORNE COUNTY MULTIPURPOSE BUILDING
WEDNESDAY, DECEMBER 7, 2005
7:00 P.M.**

**Mr. Jack Moody
Mississippi Development Authority**

Good evening, my name is Jack Moody, and I work for you. I'm with the state Economic Development Authority, which is the agency in state government whose core mission is to develop economic activities in the State of Mississippi for the benefit of the citizens.

My background is I'm a geologist. I'm here tonight with the state's assistant state geologist. That's my background. So we're into a world where I think I have a pretty good understanding.

And we've been on the site of this thing, to one of the offices that MDA has opened -- Development Authority -- as natural resources. We look at the state's natural resources from the standpoint: Is there an opportunity here for the citizens of Mississippi to take this natural resource and turn it into an economic engine? And that's what we see in this opportunity tonight.

As Mr. Johnson was explaining to you, here we have an opportunity to play into the national defense; we're actually playing into the world scheme of things. Everybody here has ridden the prices of Katrina; right? I mean we went all up and down. Well, that price probably would have been worse if we didn't have the strategic petroleum reserve in place and the international agreements that were talked about.

We've all heard about the world economy, and when something happens over here and we're short on oil, the price is going to jump up everywhere. Well, one of the agreements in the international agreement that was referred to is that there were a number of countries in the world that have a strategic petroleum reserve. And when we got hit like we did in the Gulf of Mexico, they opened up to take the pressure off of the world market to keep the prices as low as they were; though, we looked at them and thought, my goodness, it's looks like a rocket taking off to the moon again. But it would have been worse.

So what's coming to Claiborne County and possibly to one of the other domes in the state is the opportunity that we'll play in that game. We'll play for our own country based strategic petroleum reserve, again, which was initially conceived when we were cut off from mid-East oil back in 1973.

But since that time we've got this huge infrastructure. We've got a lot of oil there. And all of a sudden there have been, what, thirteen different occasions, I believe, where refineries have gotten in trouble, where they've been interrupted. And had the strategic petroleum reserve not been there -- they turned to the strategic petroleum reserve and said, "We need oil. We're in trouble. Here are the circumstances," and the people that run that system cut a deal with them. And if I'm not mistaken, you get more back than you give out when y'all cut the deal. It's a good deal.

But the citizens of the United States are benefiting. We've got the strategic resource sitting there for our security. Once you have that in place, you realize, well, you can use this to smooth out the markets; and all of us who pay at the gas pumps, it's going to smooth those things out.

So, again, if we were so fortunate as to be chosen by Mr. Johnson's selection committee, y'all are going to be one heck of an energy county. I mean with the nuclear power plant here and the strategic petroleum reserve, it seems like to us this would be a wonderful opportunity. It's a beautiful part of the state; you're on the river.

But as Dave was saying, this is a premiere environmental facility. I mean the Feds do it right; right? They come in; they got the money; they spend it; they do it right. And so when we have a facility coming in like this, you've got the assurance of the United States Government that, folks, this thing is going to be done right.

So we, the folks that y'all have hired to work for you, look at this as an opportunity for the state to play an additional part in the energy security of the United States. We think it's a great opportunity for the county, and we hope that in the selection process, if Mississippi were chosen -- and, again, right now the reserve is in Louisiana and Texas -- we are certainly trying to do our part to encourage the DOE that we play in this game.

We think that the upland location, out of harm's way for the hurricanes, would be a factor that would be helpful, perhaps, if we had a rerun of Katrina. We hope it won't, but science says for the next ten or fifteen years we're in for a rough ride on hurricanes and then it should calm down again for another twenty years. We go through these cycles.

But, nevertheless, we've got a natural resource: the salt domes. This would be an excellent use. We've got people coming to us in the form of the federal government; if they use it, it will be done right. We certainly hope that that's the case. And I think if Claiborne County were chosen and the Bruinsburg site was chosen, I think it would be a benefit to the state and to the counties.

Thank you.